

Decentralization and Rural Development of Post-Neoliberalism in Bolivia : The case of Achacachi, Department of La Paz

Fukuhara Akira

This paper examines the impact on rural development by the Popular Participation Law(LPP) promulgated in 1994 as a decentralization policy, and the establishment of local municipality. The author surveys the situation of the political participation, decision making process by the local people, and the effectiveness and equitableness of the public works projects. This paper adopts the LPP in Achacachi and Santiago de Huata city as a case study to reply the questions and analyze the changes of rural development by the institutional reform.

The Chapter 1 shows the history of the institutional reforms and the social movements by the local people after the Bolivian Revolution of 1952, and reveals the historic obstacles to the rural development. The Revolution led to land reform, universal suffrage and compulsory education.

Achacachi is situated on the Andean Plateau(altiplano) and well known as the key areas of the indigenous protests on public policies. Above all, the social movements by the poor farmers against the agrarian reform have been reported. In the military regime after the mid-1970s, the development policy in the eastern low land was pushed forward, and the vast land area was transferred to the privileged class including a handful of military leaders. Since 1985 by the New Economic Policy(NPE), some well off obtained the vast land exploiting the system.

One of the characteristics of the social movements in the period of democratic government is that the inhabitants of Achacachi did not unconditionally resist to the institutional reforms but sometimes tried to adopt the systems to improve the economical and political conditions of the communities. The NPE and decentralization policy designed by the central government were hard to be familiar with local inhabitants. However some dissatisfied inhabitants with the unfair budget allocations finally succeeded in the municipal independence according to the legal procedures.

The Chapter 2 presents the main characteristics of the decentralization reform by the LPP, and clarifies what kind of rights and duties are transferred to the local people of a community as the main actor of the participatory planning.

Before the LPP, the municipal organizations had been established in only around the urban area, and the authorities of the public works projects of education, medical care, basics hygiene, farm roads, small irrigations were carried out by the Public Development Corporations in 9 prefectures.

Since 1994, the new municipalities have been created including in the poor local areas and distributed the 20% of the national annual revenue to all of them in proportion to the number of population. On the other hand, the farmers of the communities are authorized to the juridical personality as the Basic Territory Organizations(OTBs) to the participatory development planning of the public works projects.

In the Chapter 3, the author analyzes how the LPP is actually applied in Achacachi.

The municipal government of Achacachi that had been administrated before with a few tax revenues, obtains many infrastructure constructions by the enforcement of the LPP. On the other hand, it is revealed that the administrative unit and the municipal assemblies have the strong budget authorities and the public works projects, there have been built many facilities without respecting the demands of the OTBs.

By analyzing the budget allocation in all the districts of Achacachi city, some constant correlations are seen between the distance from the communities to the city and the amount of the budget. The financial disparities in more micro-level of the each district also becomes clear. Some district with more facilities as "the symbol of the city" may come forward as a candidate for the new city hall site in the independence movements with strong political leadership to the neighborhood.

The Chapter 4 introduces mainly the history of the socio-political movements in Santiago de Huata that had achieved the independence from Achacachi in 2010, and clarifies the obstacles to the rural development.

As the territorial jurisdiction had been weakened in Achacachi since the 19th century, the authorities of municipal government of Achacachi were nervous about such the movements. After the Revolution, the political movements had been prevented by the urban inhabitants of Achacachi city.

After the LPP's enforcement, the political movements began organizing by the different districts of lakeside of Titikaka to establish new municipal government. However soon, the movement was separated by the disputes for the budget allocations and the candidate sites for new city hall. So the purpose of the movement had changed from the politics toward economy.

The factor that finally led to the establishment of Santiago de Huata city was the cooperation by the urban residences and rural farmers. At the time when the independence movement had started, the intense protest movement began among the farmers of Kalaque district. However, though it was confirmed that the equal political rights and duties would be transferred to both the urban and local inhabitants after the independence from Achacachi, the movement by both cooperations was promised. In addition, the prefectural governor and a staff from hometown cooperated to perform various procedures. And finally a member of the House of Representatives from hometown facilitated the Diet approval.

The 2 others districts from the shore of Lake were also led the independence to the success by personal contacts to the same member of parliament after the establishment of the Santiago de Huata and Kalaque district.

As these movements occurred between the NPE and post-neoliberalism in form not necessarily had consistency with the policies and intentions of the central government, the social organization of the grass-root level was pushed forward according to legal procedures.

However the above-mentioned Diet member concerns about the deteriorating of the security in Achacachi caused by the budget disputes. Because the parliament approved the bills of the independence which did not have meet any articles of the law, problems are left of the legal effectiveness.

The Chapter 5 reveals the impact and changes on the rural development of the new Santiago de Huata city after 2010.

By the separation from Achacachi, the annual revenue of the city government doubled and the physical distance between the communities and the city hall largely shorten. The newly established Santiago de Huata city became more familiar at least geographically for the local people.

However some mental distance exists between the city staff and local farmers, so many criticisms are germinated against the staff in the meetings of public works. Such the criticisms can be summarized as 1. the direct staff appointment system by the the mayor, 2. the selection of private companies by the optional contracts, 3. the improper uses of the equipments, 4. the work system away from staff home, 5. worsening of the administrative services for the shortage of the communications between staff who does not understand the native language. Even if the mayor complements the public offering of recruitment in the urban area, the spate of retirements have continued without being familiar with the severe climate environment of the altiplano, and negative effects appear for the progress of the some public works projects.

It is mandatory for the administrative unit to make the Municipal Development Program of 5 years(PDM) and Annual Operation Program(POA). The person in charge for the PDM is the private consultant that the city contracted. Based on the results of the workshop by the local participation, the plan of every community is devised.

Some opinions on the basis some public works projects realized until then were shown. In addition to the improvement of the conventional infrastructure constructions of the agriculture and tourism, the technical assistance that will help the economic development were presented by the local people.

After POA is devised based on the result of PDM by the demands of local people, but the intention of the administrative unit strongly influences the contents of the public work projects as bias. On the other hand, the municipal assembly discusses the POA which the administrative unit compiled, but the municipal council do not reject it basically respecting the "100%" of the demands of local people.

In this way, the decision making by the people in the planning process is so weak even if after the independence from Achacachi. In addition, as the staff of the municipal government has the priority to the effective budget execution, it is observed that a few projects of the certain sectors are limited as schools, parks, assembly rooms, athletic grounds and the ecology toilets that ministries and the central government had recommended.

On the other hand, the agriculture sector also revealed problems of the project effectiveness. For example, as for the genetically modified hybrid seeds, the reproduction is impossible and there is little distribution quantity, the reputation of local farmers is not positive.

In Santiago de Huata district, increased the total budget, that of per person and the total number of the projects after the separation from Achacachi. However, the project contents increased only in the urban area, and there is not the clear impacts and changes in the rural area. On the other hand, improvement is seen in neither cases in the Kalaque district, and it is thought that the benefits of the independence is extremely restrictive.

The Chapter 6 concludes how the LPP promulgated in NPE period functions in post-neoliberalism.

In Santiago de Huata, in addition to the cooperation between the urban residences and local farmers, the individual contacts to the governor and lawmaker of local election led

to success in the establishment of new municipality. As the separation from Achacachi was realized by the participation of various actors adopting the existing legal system and informal technique, the movement can be worthy of evaluation accompanied by the political independence and abilities for the practice.

By the independence of the new municipality, the geographical distance between the city hall and the communities largely shorten. However the poor administrative services due to the absence of the city staff met with criticism by the local people. One of the factors which produced the strong oppositions against the administrative unit is the deep conflicts among the outsiders and local farmers. However the statements of protests by local people are important and necessary for the city staff to improve the awareness as a public employee, fair budget execution and the quality of the public services by the accountability .

After the establishment of the new municipality, it is seen the increase of the number of public works projects and the budget allocation especially in the urban area of the Santiago de Huata district. But in the rural area, the contents of projects are largely controlled by the administrative unit of the municipal government. In this way, it is restricted the contents of public works which were reflected by the local needs. In the future, it will be attracted more attentions how the inhabitants of the Kalaque district will feel the LPP and how they will maintain the relationship with Santiago de Huata district.